

House File 609

H-1307

1 Amend House File 609 as follows:

2 1. By striking everything after the enacting clause
3 and inserting:

4 <Section 1. Section 331.512, Code 2013, is amended
5 by adding the following new subsection:

6 NEW SUBSECTION. 4A. Carry out duties relating to
7 the business property tax credit as provided in chapter
8 426C.

9 Sec. 2. Section 331.559, Code 2013, is amended by
10 adding the following new subsection:

11 NEW SUBSECTION. 14A. Carry out duties relating to
12 the business property tax credit as provided in chapter
13 426C.

14 Sec. 3. NEW SECTION. **426C.1 Definitions.**

15 For the purposes of this chapter, unless the context
16 otherwise requires:

17 1. "*Contiguous parcels*" means any of the following:

18 a. Parcels that share a common boundary.

19 b. Parcels within the same building or structure
20 regardless of whether the parcels share a common
21 boundary.

22 c. Permanent improvements to the land that are
23 situated on one or more parcels of land that are
24 assessed and taxed separately from the permanent
25 improvements if the parcels of land upon which the
26 permanent improvements are situated share a common
27 boundary.

28 2. "*Department*" means the department of revenue.

29 3. "*Fund*" means the business property tax credit
30 fund created in section 426C.2.

31 4. "*Parcel*" means as defined in section 445.1.

32 5. "*Property unit*" means contiguous parcels all
33 of which are located within the same county, with the
34 same property tax classification, are owned by the same
35 person, and are operated by that person for a common
36 use and purpose.

37 Sec. 4. NEW SECTION. **426C.2 Business property tax
38 credit fund — appropriation.**

39 1. A business property tax credit fund is created
40 in the state treasury under the authority of the
41 department. For the fiscal year beginning July 1,
42 2014, there is appropriated from the general fund of
43 the state to the department to be credited to the
44 fund, the sum of fifty million dollars to be used
45 for business property tax credits authorized in this
46 chapter. For the fiscal year beginning July 1, 2015,
47 and each fiscal year thereafter, there is appropriated
48 from the general fund of the state to the department
49 to be credited to the fund an amount equal to the
50 total amount appropriated by the general assembly to

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1 the fund, as calculated in this subsection, in the
2 previous fiscal year. In addition, the sum of fifty
3 million dollars shall be added to the appropriation in
4 each fiscal year beginning on or after July 1, 2015,
5 if the revenue estimating conference certifies during
6 its final meeting of the calendar year ending prior to
7 the beginning of the fiscal year that the total amount
8 of general fund revenues collected during the fiscal
9 year ending during such calendar year was at least one
10 hundred four percent of the total amount of general
11 fund revenues collected during the previous fiscal
12 year. However, the total appropriation to the fund
13 shall not exceed two hundred fifty million dollars for
14 any one fiscal year.

15 2. Notwithstanding section 12C.7, subsection 2,
16 interest or earnings on moneys deposited in the fund
17 shall be credited to the fund. Moneys in the fund are
18 not subject to the provisions of section 8.33 and shall
19 not be transferred, used, obligated, appropriated,
20 or otherwise encumbered except as provided in this
21 chapter.

22 Sec. 5. NEW SECTION. 426C.3 Claims for credit.

23 1. Each person who wishes to claim the credit
24 allowed under this chapter shall obtain the appropriate
25 forms from the assessor and file the claim with the
26 assessor. The director of revenue shall prescribe
27 suitable forms and instructions for such claims, and
28 make such forms and instructions available to the
29 assessors.

30 2. a. Claims for the business property tax credit
31 shall be filed not later than March 15 preceding the
32 fiscal year during which the taxes for which the credit
33 is claimed are due and payable.

34 b. A claim for credit filed after the deadline for
35 filing claims shall be considered as a claim for the
36 following year.

37 3. Upon the filing of a claim and allowance of the
38 credit, the credit shall be allowed on the parcel or
39 property unit for successive years without further
40 filing as long as the parcel or property unit satisfies
41 the requirements for the credit. If the parcel or
42 property unit ceases to qualify for the credit under
43 this chapter, the owner shall provide written notice to
44 the assessor by the date for filing claims specified in
45 subsection 2 following the date on which the parcel or
46 property unit ceases to qualify for the credit.

47 4. The assessor shall remit the claims for
48 credit to the county auditor with the assessor's
49 recommendation for allowance or disallowance. If
50 the assessor recommends disallowance of a claim,

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1 the assessor shall submit the reasons for the
2 recommendation, in writing, to the county auditor.
3 The county auditor shall forward the claims and
4 recommendations to the board of supervisors. The board
5 shall allow or disallow the claims.

6 5. For each claim and allowance of a credit for
7 a property unit, the county auditor shall calculate
8 the average of all consolidated levy rates applicable
9 to the several parcels within the property unit. All
10 claims for credit which have been allowed by the board
11 of supervisors, the actual value of such parcels and
12 property units applicable to the fiscal year for which
13 the credit is claimed that are subject to assessment
14 and taxation prior to imposition of any applicable
15 assessment limitation, the consolidated levy rates
16 for such parcels and the average consolidated levy
17 rates for such property units applicable to the fiscal
18 year for which the credit is claimed, and the taxing
19 districts in which the parcel or property unit is
20 located, shall be certified on or before June 30, in
21 each year, by the county auditor to the department.

22 6. The assessor shall maintain a permanent file of
23 current business property tax credits. The assessor
24 shall file a notice of transfer of property for which a
25 credit has been allowed when notice is received from
26 the office of the county recorder, from the person
27 who sold or transferred the property, or from the
28 personal representative of a deceased property owner.
29 The county recorder shall give notice to the assessor
30 of each transfer of title filed in the recorder's
31 office. The notice from the county recorder shall
32 describe the property transferred, the name of the
33 person transferring title to the property, and the name
34 of the person to whom title to the property has been
35 transferred.

36 7. When all or a portion of a parcel or property
37 unit that is allowed a credit under this chapter is
38 sold, transferred, or ownership otherwise changes, the
39 buyer, transferee, or new owner who wishes to receive
40 the credit shall refile the claim for credit. In
41 addition, when a portion of a parcel or property unit
42 that is allowed a credit under this chapter is sold,
43 transferred, or ownership otherwise changes, the owner
44 of the portion of the parcel or property unit for which
45 ownership did not change shall refile the claim for
46 credit.

47 **Sec. 6. NEW SECTION. 426C.4 Eligibility and amount**
48 **of credit.**

49 1. Each parcel classified and taxed as commercial
50 property, industrial property, or railway property

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1 under chapter 434 is eligible for a credit under this
2 chapter. A person may claim and receive one credit
3 under this chapter for each eligible parcel unless the
4 parcel is part of a property unit for which a credit
5 is claimed. A person may claim and receive one credit
6 under this chapter for each property unit. A credit
7 approved for a property unit shall be allocated to
8 the several parcels within the property unit in the
9 proportion that each parcel's total amount of property
10 taxes due and payable bears to the total amount of
11 property taxes due and payable on the property unit.
12 Only property units comprised of property assessed as
13 commercial property, industrial property, or railway
14 property under chapter 434 are eligible for a credit
15 under this chapter. However, property that is rented
16 or leased to low-income individuals and families
17 as authorized by section 42 of the Internal Revenue
18 Code, as amended, and that is subject to assessment
19 procedures relating to section 42 property under
20 section 441.21, subsection 2, for the applicable
21 assessment year, shall not be eligible to receive a
22 credit under this chapter or be part of a property unit
23 that receives a credit under this chapter.

24 2. Using the actual value of each parcel or
25 property unit and the consolidated levy rate for each
26 parcel or the average consolidated levy rate for each
27 property unit, as certified by the county auditor
28 to the department under section 426C.3, subsection
29 5, the department shall calculate, for each fiscal
30 year, an initial amount of actual value for use in
31 determining the amount of the credit for each such
32 parcel or property unit so as to provide the maximum
33 possible credit according to the credit formula and
34 limitations under subsection 3, and to provide a
35 total dollar amount of credits against the taxes due
36 and payable in the fiscal year equal to ninety-eight
37 percent of the moneys in the fund following the deposit
38 of the appropriation for the fiscal year and including
39 interest or earnings credited to the fund.

40 3. a. The amount of the credit for each parcel or
41 property unit for which a claim for credit under this
42 chapter has been approved shall be calculated under
43 paragraph "b" using the lesser of the initial amount
44 of actual value determined by the department under
45 subsection 2, and the amount of actual value of the
46 parcel or property unit certified by the county auditor
47 under section 426C.3, subsection 5.

48 b. The amount of the credit for each parcel or
49 property unit for which a claim for credit under
50 this chapter has been approved shall be equal to

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1 the product of the amount of actual value determined
2 under paragraph "a" times the difference, stated
3 as a percentage, between the assessment limitation
4 percentage applicable to the parcel or property unit
5 under section 441.21, subsection 5, and the assessment
6 limitation percentage applicable to residential
7 property under section 441.21, subsection 4, divided
8 by one thousand dollars, and then multiplied by
9 the consolidated levy rate or average consolidated
10 levy rate per one thousand dollars of taxable value
11 applicable to the parcel or property unit for the
12 fiscal year for which the credit is claimed as
13 certified by the county auditor under section 426C.3,
14 subsection 5.

15 **Sec. 7. NEW SECTION. 426C.5 Payment to counties.**

16 1. Annually the department shall certify to the
17 county auditor of each county the amounts of the
18 business property tax credits allowed in the county.
19 Each county auditor shall then enter the credits
20 against the tax levied on each eligible parcel or
21 property unit in the county, designating on the tax
22 lists the credit as being paid from the fund. Each
23 taxing district shall receive its share of the business
24 property tax credit allowed on each eligible parcel or
25 property unit in such taxing district in the proportion
26 that the levy made by such taxing district upon the
27 parcel or property unit bears to the total levy upon
28 the parcel or property unit by all taxing districts.
29 However, the several taxing districts shall not draw
30 the moneys so credited until after the semiannual
31 allocations have been received by the county treasurer,
32 as provided in this section. Each county treasurer
33 shall show on each taxpayer receipt the amount of
34 credit received from the fund.

35 2. The director of revenue shall authorize the
36 department of administrative services to draw warrants
37 on the fund payable to the county treasurers of the
38 several counties of the state in the amounts certified
39 by the department.

40 3. The amount due each county shall be paid in two
41 payments on November 15 and March 15 of each fiscal
42 year, drawn upon warrants payable to the respective
43 county treasurers. The two payments shall be as nearly
44 equal as possible.

45 **Sec. 8. NEW SECTION. 426C.6 Appeals.**

46 1. If the board of supervisors disallows a claim
47 for credit under section 426C.3, subsection 4, the
48 board of supervisors shall send written notice, by
49 mail, to the claimant at the claimant's last known
50 address. The notice shall state the reasons for

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1 disallowing the claim for the credit. The board of
2 supervisors is not required to send notice that a claim
3 for credit is disallowed if the claimant voluntarily
4 withdraws the claim. Any person whose claim is
5 disallowed under the provisions of this chapter may
6 appeal from the action of the board of supervisors to
7 the district court of the county in which the parcel or
8 property unit is located by giving written notice of
9 such appeal to the county auditor within twenty days
10 from the date of mailing of notice of such action by
11 the board of supervisors.

12 2. If a claim for credit is disallowed by the
13 board of supervisors, and such action is subsequently
14 reversed on appeal, the credit shall be allowed on the
15 applicable parcel or property unit, and the director of
16 revenue, the county auditor, and the county treasurer
17 shall provide the credit and change their books and
18 records accordingly. In the event the claimant has
19 paid one or both of the installments of the tax payable
20 in the year or years in question, remittance shall be
21 made to the claimant of the amount of such credit.
22 The amount of such credit awarded on appeal shall be
23 allocated and paid from the balance remaining in the
24 fund.

25 **Sec. 9. NEW SECTION. 426C.7 Audit — recalculation**
26 **or denial.**

27 1. If on the audit of a credit provided under this
28 chapter, the director of revenue determines the amount
29 of the credit to have been incorrectly calculated or
30 that the credit is not allowable, the director shall
31 recalculate the credit and notify the claimant and the
32 county auditor of the recalculation or denial and the
33 reasons for it. The director shall not adjust a credit
34 after three years from October 31 of the year in which
35 the claim for the credit was filed. If the credit has
36 been paid, the director shall give notification to the
37 claimant, the county treasurer, and the applicable
38 assessor of the recalculation or denial of the credit
39 and the county treasurer shall proceed to collect the
40 tax owed in the same manner as other property taxes due
41 and payable are collected, if the parcel or property
42 unit for which the credit was allowed is still owned
43 by the claimant. If the parcel or property unit
44 for which the credit was allowed is not owned by the
45 claimant, the amount may be recovered from the claimant
46 by assessment in the same manner that income taxes are
47 assessed under sections 422.26 and 422.30. The amount
48 of such erroneous credit, when collected, shall be
49 deposited in the fund.

50 2. The claimant or board of supervisors may

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1 appeal any decision of the director of revenue to the
2 state board of tax review pursuant to section 421.1,
3 subsection 5. The claimant, the board of supervisors,
4 or the director of revenue may seek judicial review
5 of the action of the state board of tax review in
6 accordance with chapter 17A.

7 Sec. 10. NEW SECTION. **426C.8 False claim —**
8 **penalty.**

9 A person who makes a false claim for the purpose of
10 obtaining a credit provided for in this chapter or who
11 knowingly receives the credit without being legally
12 entitled to it is guilty of a fraudulent practice. The
13 claim for a credit of such a person shall be disallowed
14 and if the credit has been paid the amount shall be
15 recovered in the manner provided in section 426C.7. In
16 such cases, the director of revenue shall send a notice
17 of disallowance of the credit.

18 Sec. 11. NEW SECTION. **426C.9 Rules.**

19 The director of revenue shall prescribe forms,
20 instructions, and rules as necessary, pursuant to
21 chapter 17A, to carry out and effectuate the purposes
22 of this chapter.

23 Sec. 12. IMPLEMENTATION. Notwithstanding the
24 deadline for filing claims established in section
25 426C.3, for a credit against property taxes due and
26 payable during the fiscal year beginning July 1, 2014,
27 the claim for the credit shall be filed not later than
28 January 15, 2014.

29 Sec. 13. APPLICABILITY. This Act applies to
30 property taxes due and payable in fiscal years
31 beginning on or after July 1, 2014.>

32 2. Title page, by striking lines 1 through 6 and
33 inserting <An Act establishing a property tax credit
34 for commercial, industrial, and railway property,
35 providing penalties, making appropriations, and
36 including implementation and applicability provisions.>

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